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Canada

Agricultural Situation

Canadian Cranberries

2001

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Report Highlights: Canada is the second largest producer of cranberries in the world after the United States. Recently, there has been some interest in the trade concerning cranberry production in Nova Scotia and the sale of Nova Scotia fresh market cranberries in the Boston market. Agriculture and Agri-Food Canada has published a study entitled a *Profile of the Canadian Cranberry Industry* which is available on the AAFC website.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1], CA

According to Agriculture and Agr-Food Canada, Canada is the second largest producer of cranberries in the world after the United States. Recently, there has been some interest in the trade concerning cranberry production in Nova Scotia and the sale of Nova Scotia fresh market cranberries in the Boston market. Statistics Canada does not regularly disclose the area planted to cranberries in Nova Scotia, but according to that agency's 1996 Census of Agriculture, there were 7 cranberry farms in Nova Scotia with a planted area of 20 hectares (approx. 50 acres). Data show that Nova Scotia producers did not take part in an general expansion of the industry in the 1990s. In fact, Nova Scotia area of cranberries fell by nearly half from 1991 to 1996. With production concentrated in British Columbia and in Quebec, Nova Scotia accounts for less than 1.0% of total Canadian fresh cranberry production. The following are excerpts from AAFC's *Profile of the Canadian Cranberry Industry* which is available on the AAFC website at: <http://www.agr.ca/misb/hort/cran.html>

Begin Excerpt (all values in Canadian \$, unless noted):

In 1998 with more than 32,906 metric tonnes (mt) and an "estimated" farm value of \$55.4 million, the industry reached all-time highs. This product ranked fifth in farm value for all fruits produced in Canada after apples, blueberries, strawberries and grapes. From 1988 to 1994, Canadian production has more than doubled due to increased area, improved yield and technology improvements. Canadian grower prices remained stable from 1988 to 1992, increased until 1996 and started to decline slightly since then.

This industry is self sufficient, in so far as it does not benefit from any government programs or subsidies that would directly support its production. Cranberry production is not something where you become rich over night. It is a long term process and the industry rely on its relationship with processors and ingenuity to survive. Production averaged 16.7 mt per hectare in 1998. Although farm cash receipts seem high, investment is also high, averaging nearly \$75,000 per hectare (\$30,000 per acre) to bring a planting into production. It takes from three to five years before production becomes profitable. The most frequent problems facing producers are proper pollination and frost.

B.C. and Québec are the main producing areas in Canada with 75% and 18% of total production respectively. In 1998, Statistics Canada survey on acreage indicated an increase of 19% over 1997 and 37% over 1996. According to industry sources, some 25% of the area has been planted but is not in production yet. More than 90% of all Canadian production is grown for processing and is sold fresh to processors in the US. In Québec about 33% of the production is processed into concentrate and then sold in Canada and the US. The cranberries are mostly harvested, frozen, bulk-packed in Canada and then shipped within Canada and in the US for processing mostly into juice and sauce. In 1998, 11,706 mt of cranberries (60% of which is fresh) valued at \$23.95 million were imported into Canada, an all-time high. In 1998, 100% of the Canadian production, or 26,274 mt of cranberries valued at an "estimated" \$59.5 million, were exported to the US.

Producers are paid according to a Pool price and over a period ranging from 12 to 14 months before final payments.

In late 1998, prices paid for 50 Brix juice concentrate went to a record low US\$34.00-36.00/gallon FOB from US\$48.00-52.00/gallon in July 1998 before the start of the 1998 harvest, and from US\$92.00/gallon in 1996. This enormous decrease was caused by a high inventory before 1998 harvesting, a record 1998 harvest and blending with cheaper concentrates of other fruits - leaving the processors with higher inventories and lower prices for producers.

End AAFC Report Excerpt.

Recent Fresh Market Prices:

The following are recent weekly wholesale market prices for Nova Scotia fresh market cranberries at Halifax as reported by AAFC. For more information on wholesale prices in other provinces, go to the AAFC's electronic Infohort at:
http://www.agr.ca/misb/infohort/infohort_e.html

Halifax Wholesale Market Offerings; Fresh Cranberries					
Week Ending...	Origin	Variety	Weight	Low	High
				C\$	C\$
10/05/01	Nova Scotia	Unspecified	Carton 24X12 OZ	24.25	29.50
9/28/01	Nova Scotia	Unspecified	Carton 24X12 OZ	24.25	32.00
9/21/01	Nova Scotia	Unspecified	Carton 24X12 OZ	14.00	14.00
9/14/01	Nova Scotia	Unspecified	Carton 24X12 OZ	14.00	14.00
9/07/01	Nova Scotia	Unspecified	Carton 24X12 OZ	14.00	14.00
Source: AAFC Infohort; Exchange Rate: September, 2001; C\$=approx. 63.7 U.S. cents					

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